

Nguyen Ngoc (1401556)

MARKETING RESEARCH AND BUSINESS IDEA FOR A
VIETNAMESE RESTAURANT IN TURKU

International Business

2018

Market Research and Business Idea for a Vietnamese Restaurant in Turku
Ngoc Trinh, Nguyen
Satakunnan ammattikorkeakoulu, Satakunta University of Applied Sciences
Degree Program in International Business
November 2018
Number of pages: 43
Appendices: 2

Keywords: marketing strategy, SWOT analysis, Marketing Mix analysis, fast food restaurant, Finnish fast food market

The purpose of this thesis is to understand fast food market in Turku, Finland and create a business idea for a Vietnamese restaurant in Turku (restaurant X). The business idea will be made basing on the marketing strategy analysis, market information and research results. Those information is important to make the study valid and reliable.

Following the thesis's purpose, the author will analyze the fast food market in Turku, Finland. Along with the theoretical background including SWOT analysis brings deeper understanding about competitors for restaurant X including strengths, weaknesses, opportunities and threats; marketing strategy segmentation, targeting and positioning will help the author identify potential customer and the position for the restaurant in the market. Marketing mix 4P's will be keeping an eye on and applied to make business idea for restaurant X about four elements product, price, place and promotion.

In the empirical part, all the data will be synthesized from reliable sources and books. The market information will be aggregated not only from the website and online articles, but also from the author's observation. Secondly, SWOT analysis and Marketing Mix will then be analyzed thoroughly to identify the necessary internal and external elements that influence the business idea. Last but not least, the survey and the author's observation will be conducted to bring more accurate information to make business idea for restaurant X. After the survey is done, the result will be collected and analyzed to find out important and necessary information and numbers to make business idea. Along with it the author will give some supposal problems which is common with start-up company and solutions for them.

CONTENTS

1	INTRODUCTION.....	4
2	OBJECTIVE AND PURPOSE OF THE THESIS.....	4
2.1	Background information and theory.....	4
2.2	The objective and purpose of the study.....	5
2.3	Research Framework.....	5
3	MARKETING STRATEGY THEORY.....	6
3.1	Segmentation, targeting and positioning.....	7
3.1.1	Segmentation	7
3.1.2	Targeting	9
3.1.3	Positioning	10
3.2	Marketing mix strategy: 4Ps.....	11
3.2.1	Product	12
3.2.2	Price	13
3.2.3	Place	14
3.2.4	Promotion	15
3.3	SWOT ANALYSIS.....	16
4	FAST FOOD RESTAURANT BUSINESS IN TURKU.....	17
4.1	General information.....	17
4.2	Apply SWOT analysis for the market.....	18
5	METHODOLOGY.....	20
5.1	Qualitative research method.....	20
5.2	Quantitative research method.....	21
5.3	Data collection and analysis.....	21
5.4	Validity and Reliability.....	22
6	RESULTS OF THE SURVEY.....	22
7	PRESENTATION OF THE BUSINESS IDEA AND DISCUSSION OF THE STUDY.....	29
7.1	Discussion of the study.....	29
7.2	The business idea.....	32
7.3	Validity and reliability of the study.....	34
7.4	Follow up support topics.....	34
	REFERENCES.....	36
	APPENDIX 1.....	38
	APPENDIX 2:.....	43

1 INTRODUCTION

The author plan to open a Vietnamese style restaurant in Turku, Finland (X restaurant). X restaurant will sell Asian food and drink, especially serve for lunch. The main products are Vietnamese sandwich (Banh Mi), summer rolls, and Asian drinks (Vietnamese coffee, milk tea...). The food and drinks will be served fast and fresh with the real Vietnamese taste. The restaurant will be located near the market square so it is easy for customer to get and the products are easy to take away. The Vietnamese sandwich can be considered as a fast and nutritious lunch or tasty snack.

2 OBJECTIVE AND PURPOSE OF THE THESIS

2.1 Background information and theory

For this thesis, the author need to get the knowledge of business and restaurant industry.

There are three sides of business that the author should focus on: marketing, customer and service design. The information of marketing will help the author to do the market analysis to understand the existing market, customers, competition and make a marketing plan for the author's business. marketing is one of the most important parts of every business. Knowing marketing well helps the author control the business better. The knowledge of service design is a frame work helping the author to create the business idea structurally.

When doing business of food, the author also need to know about restaurant industry. Information of restaurant business can show the author an overview of the industry strategy, what is the trend at the moment, what is the expectation of customers and the licenses of health and safety that are required.

2.2 The objective and purpose of the study

The purpose of this Bachelor thesis is to understand the market and create a business idea for the author's business. There is a big number of entrepreneurs fail due to the poor planning. When starting a business, there are many risks and difficulties. Therefore, making a plan well at the beginning can help reduce the risks and develop the business.

When the thesis is done, the author will get the answers for five main questions:

- How is the market going on?

The author will analyze the market to get general information and identify the existing competition. The competitors in the market will also be analyzed.

- Who are the target customer?

The author will divide the mass market into segments, and decide the customers to serve from those segments.

- What are customers' behaviors and expectation for Asian street food?

The author will understand potential customers' behavior and consumption, the quality of the products and services that they expect, the suitable price that they are willing to pay, and the ideal location for them to get fast food or lunch.

- How to approach customers?

The author will know how to access the potential customers, make them aware of the X restaurant and the products, how to keep the customer relationship, how to contact with them.

- What are supposal problems and solutions?

From book or other materials and observation, the author can figure out some problems that other entrepreneurs and restaurants were suffering. The author will try to find solutions for some of the problems basing on the situation, the case.

2.3 Research Framework

In this thesis, the author will focus on six sides of the business idea: customers, market, location, products, price and promotion.



After analyze customers, the author can figure out who is the potential customers for the business, how is their behavior, consumption, and what their expectation from the restaurant. When the potential customers are classified, the author can design the services and the products to meet their requirements and create a suitable marketing plan to approach them.

Analyzing the market help the author understand how the market is going and the competition in the market.

Location is one of the important factors when doing the restaurant business. The author have already chosen the location, near city center, for the beginning stage of her restaurant. In this part, the author will list the advantages and disadvantages of the location the author have chosen.

Depending on the author's observation and the research result, the author will try to make the products and services as close to the expectation of the customer as possible.

3 MARKETING STRATEGY THEORY

According to Kotler, "Market Research is most important thing in any business to identify opportunities and threats. Market research can be defined as the systematic

collection, design, analysis and reporting of data and findings relevant to a specific marketing situation facing the company” (Kotler 2009).

3.1 Segmentation, targeting and positioning

According to Charles D. Schewe, most marketers realize that they cannot compete successfully in every market, therefore they divide the market as a whole into smaller segments on the basis of some kinds of similarity among consumers, ..., and focus on a few segments that seem more attractive than others. (Schewe 1987, 211). Then, the marketers identify how they want the consumers perceive about their brand or their products and take action to achieve that goal. These works are segmentation, targeting and positioning.

3.1.1 Segmentation

In a mass market, there are many customers with many different traits, requirements, favorites and characteristics. Marketers have to find similarity among consumers and put them into small segments that have the same traits such as age, sex, income, purchasing behavior, psychology...

There are two way to identify the similarity of consumers: basing on description and basing on behavior.

When the marketers use the descriptive bases method, they focus on consumers' demographic variables or geographic variables. The demographic variables include age, gender, income, occupation, education, family size, family life cycle, religion and nationality. (Schewe 1987, 216). These demographic variables are frequently used for market segmentation because they are easy to collect and analyze. In addition, the demographic variables demonstrate clearly the consumer's requirements and expectation as well as how they use the products. The geographic variables are region, density, climate and population (Schewe 1987, 216), which let the marketers know the impact of the geographic factors on consumer's demand.

While the descriptive bases method just can show the basic outward information, the behavioral bases method can determine consumer's deeper insights. Therefore, the behavioral bases method is more useful than the descriptive bases method. The descriptive base method includes user status, brand loyalty, product usage, benefit sought, personality, life style, social class, occasion, and readiness to buy. the psychologic segmentation (life style) is used quite commonly. However, the result from it will not last for long time.

Marketer can use one method or more to segment the markets. Using only one method is easier. However, basing one variable is not as clear as using more. "More variables add more information" (Schewe 1987, 225).

The market segmentation process has four steps.

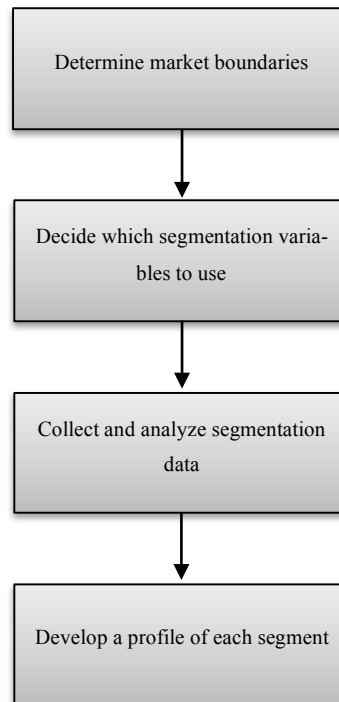


Figure 1: Steps in the marketing segmentation process (Charles D. Schewe, 1987)

First of all, the marketer need to determine the market boundaries, which means deciding the market that they will serve. Then, they need to choose the most suitable segmentation variables among many different variables. Choosing the right variables plays an important role in making a successful marketing plan. After deciding the variables to use, we can start collecting and analyzing segmentation data. The purpose of collecting and analyzing segmentation data is to identify groups of people

who have the similar wants and needs. “The marketer can use a wide range of analytical techniques to determine which segments of the market have the greatest within-segment homogeneity and between-segment heterogeneity” (Schewe 1987, 227). The collected and analyzed data is the foundation for business plan. The last phase is to develop a profile of each segment.

3.1.2 Targeting

After the segmenting phase, the large market is broken into small segments, we have to estimate their profile to find out which one(s) we will serve. Most marketers would target the most potential or profitable segment because that is the largest segment of the market, the consumers in this segment have biggest buying desire and they look for the products that company can offer. However, sometimes, the largest segment is not the best choice. In the largest segment, there is always heavy competition existing and consumers’ requirements are fulfilled with the product that competitors have already deliver.

Charles D. Schewe said that in many cases, the best choice is a segment that has been neglected by the competitors. Maybe the consumers in that segment are unsatisfied with the existing products or brands, and that is the opportunity we should take.

There are three strategies to approach the target segment: concentration, differentiation and atomization.

Concentration strategy means they decide to focus on and serve only one segment at a time. By following this approaching method, the company can use all of their abilities to satisfy a single target segment and they can gain a big sale volume from their customers. This strategy also has disadvantages. When the company focus on only one target segment for a long time, their customers will form an awareness about the company, the brand or the products. And the company will be stuck with that brand image, which is quite hard for them if they want to change or access more segments. For example, Hennes & Mauritz AB (H&M), known as a fast-fashion clothing retail company, would be difficult to succeed in upscale market. In addition, when the

company focus on one segment, they will get threat if the size of the segment decreases or the customers change their requirements and favorites.

When the company serves several segments at a time, they are following the differentiated marketing or multi-segment strategy. It means the company provide a variety of products with different prices, promotions, functions... to many groups of consumers. There are many companies in many fields following the multi-segment strategy such as automobiles, technology devices, cosmetic, fashion, airplane, health care... This will help increase the diversity of products in the market, therefore, the consumers will have more choices for their demands. Moreover, the company also can get profit from other segments, which makes their financing less hazardous. However, the multi-segment strategy is costly. The company have to make different plans for R&D, promotion, marketing, selling point, distribution channels... depending on each segment. Thus, they need substantial resources, especially human resources and financial background.

Market atomization strategy means the company will adjust their products to meet the requirements of every individual customer. We can recognize it as offering customized products.

To choose the suitable strategy to follow, the company need to consider their strengths, weaknesses and the competitors' strategies.

3.1.3 Positioning

Positioning is to a build perceptions about the products or brand in the mind of the consumers, which is relating to competitors. Establishing a solid position in the mind of consumers is really important. To create suitable positioning strategy, we can choose one or more characteristics of the products or brand to make them outstanding from competitors in the market. There are 5 common alternatives that are usually considered on deciding positioning strategy:

- Product attributes: most of marketers use a specific feature or characteristic of the product to build positioning for it. This is one of method regularly used. “A new product can be positioned on the basis of a feature that has been ignored by competitors” (Schewe 1987,232). However, if so many characteristics are used for positioning, the consumers will be confused about the products or the brand.
- Benefits, problem solutions, and basic needs: we can base on the consumers’ reasons for buying the products to create positioning strategy for it. Such as what consumer will get from the products or services, how the products help to solve consumers’ problems, what will meet consumers’ needs.
Specific use: a special use of the product can be used for positioning. Such as Alienware laptop is positioned as a computer being designed for gaming, Paula’s Choice cosmetic is positioned as a brand offering skincare products for people who have really sensitive skin.
- Product user: many companies try to associate their brands or products with well-known people. Therefore, it is positioned as a product using by popular people. For example, Adidas has been collaborating with many famous athletes, rappers, or influencers to design or promote their shoes, which help increase sale volume a lot.
- When we develop a positioning strategy, we should depend a lot on the marketing research data. There are 7 steps to develop a positioning strategy

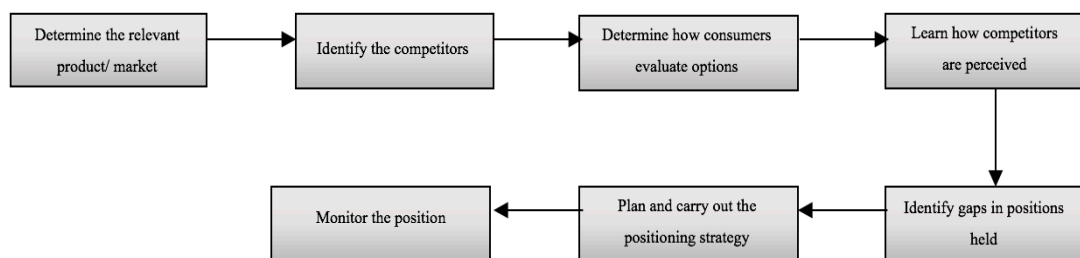


Figure 2: Steps in developing positioning strategy process (Charles D. Schewe, 1987)

3.2 Marketing mix strategy: 4Ps

“Marketing mix is the term used to describe the combination of the four inputs which constitute the core of a company's marketing system-the product, the price structure, the promotional activities and the distribution system” (Ramachandra, Chandrashekara & Shivakumar 2010, 59)

3.2.1 Product

Product is what consumer buy from seller, or what we receive from others in any exchange. For example, we give the seller money then they give us what we need such as a cup of coffee, a car, or a haircut... Product is not only the tangible goods but also intangible action such as service, education or information... A product can also be known as a set of satisfaction that consumer is looking for. For a product to survive in the market, it must have the function that fulfill consumer's requirements.

There are three components of a product: core need, facilitating supplementary and enhancing supplementary. Facilitating supplementary and enhancing supplementary are optional. However, the core need is the primary criteria, which is important for consumer to make purchasing decision. The core need is the main function of the product that consumer is seeking to solve their problem. The facilitating supplementary is the additional values of the products. It means besides the product's basic function; the producer adds more benefits or supports which consumers may wish for, to increase the product's value and the satisfaction of customer. The enhancing supplementary is the element to make the product outstanding from other competitors.

There is a variety of way to distribute products, but the most common way is to classify the product into 2 types: consumer product and industrial product. Consumer product is the product being purchased by the end user. Consumer products including convenience products, shopping products, specialty products and unsought products (Schewe 1987, 273).

3.2.2 Price

Price is one of the most important element which affect the consumer's purchasing. "Price is the value that consumers place on a product" (Schewe 1987, 316). That value is the consumer's perception of the satisfaction or benefits that they get from the product. The key for a successful marketing plan is to set good price. If the price is set higher than its value, there is no purchasing. Therefore, the price of the product should be set equal or lower than the value that consumer perceives of. However, there is a segment who would like to buy products with high price. They think that the price is the reflection of the product's quality. The higher the price is, the better the product's quality is.

Besides the value of the product, the price is also set basing on the demands of consumer and the existing supply in the market. If the demand decreases and the amount of supply is big, the price will decline. If the demand increases and there are not many supplies existing, the price will rise. (Blythe 2012, 154-157).

Setting price is a difficult mission for marketer. Because the price should be enough to cover the cost of the product and bring profits for the company. In addition, the price of a products should not be higher than the value that consumers perceive it to be. Last but not least, the price of a product should not have to many differences from the other competitors.

For creating effective pricing strategy, we need to consider these three pricing methods: cost-based pricing, value-based pricing and competition-based pricing (Wirtz & Lovelock 2018, 156). Cost-based pricing founds on the operating costs and manufacturing costs of a product or service. Value-based pricing bases on how consumers perceive product's or service's value. Competition-based pricing means the company also need to observe the way how their competitor price their product and service.

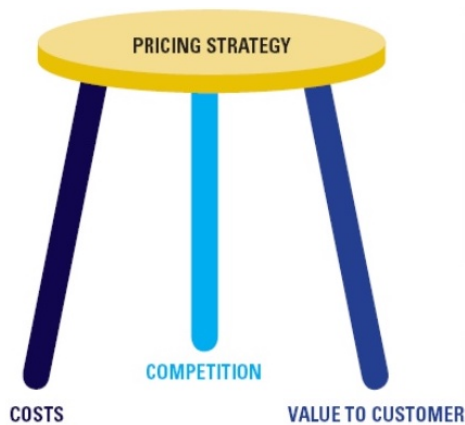


Figure 3: The pricing tripod (Wirtz & Lovelock, 2018)

3.2.3 Place

According to Blythe, place is the area where the products and services are distributed and purchased. There are many types of distribution channel such as agent, wholesaler, retailer and industrial distributor. For different types of products (consumer product and industrial product) there are different distribution routes or networks.

To distribute industrial products, the most regularly used method is to dispense directly from the manufacturers to the users. In the other hand, manufacturer may sell products via an industrial distributor which play as the same role as a wholesaler. This method is more suitable for small manufacturers than for big manufacturer. Sometime, producer need to store their products at storage facilities provided by distributor, they work via an agent. The agent is in charge of selling products while distributor stores them until the user buy them. By using this method, they can save the time of transportation. If the manufacturer does not need the service of distributor, they can distribute their products to user via only agents.

The distribution route for the consumer products is a bit different from the route of the industrial products because there are some other channels. The first method is direct distribution. Producer do not employ any intermediaries to sell their products. This is the shortest, simplest and quickest channel to distribute products from manufacturer to consumers. The second method is to sell products via retailers. The manu-

Manufacturer may choose some outlet stores to sell their products or build their own retail stores. Most of small manufacturers, who do not have enough sales force to reach the mass market effectively, sell their products via wholesaler. (Schewe 1987, 395). There are some companies do not need the wholesalers to distribute their products. They employ agents to sell their products to retailers.

Manufacturers can also use one or more distribution channel, which is called dual distribution.

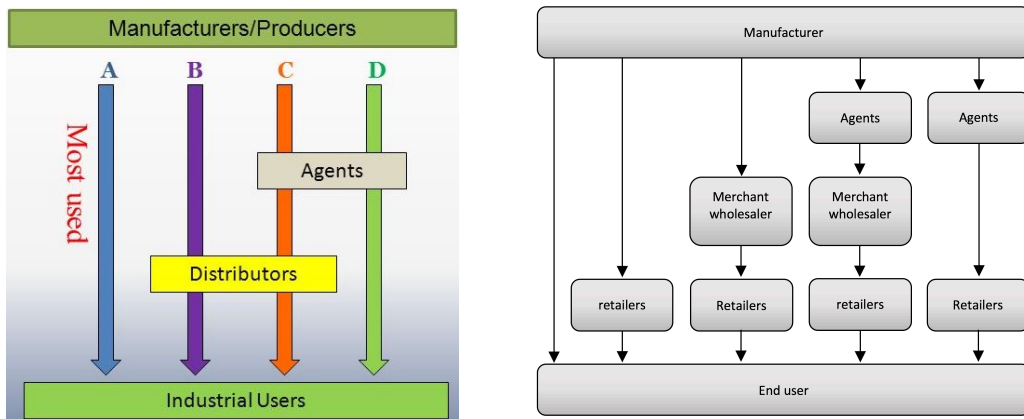


Figure 4: Typical distribution channels for industrial products (Website of Slide Player, 2018)

Figure 5: Typical distribution channels for consumer products (Website of Marketing91, 2018)

3.2.4 Promotion

According to Pride, Hughes and Kapoor, promotion play a role as a bridge between the business and the customer to connect and unite the effectiveness of each element in the marketing mix. (Pride, Hughes & Kapoor 2013, 424 – 425). Communication is a process of transferring info between customer and marketer. It includes of seven key factors: source, receiver, message, message channel, encoding, decoding and feedback.

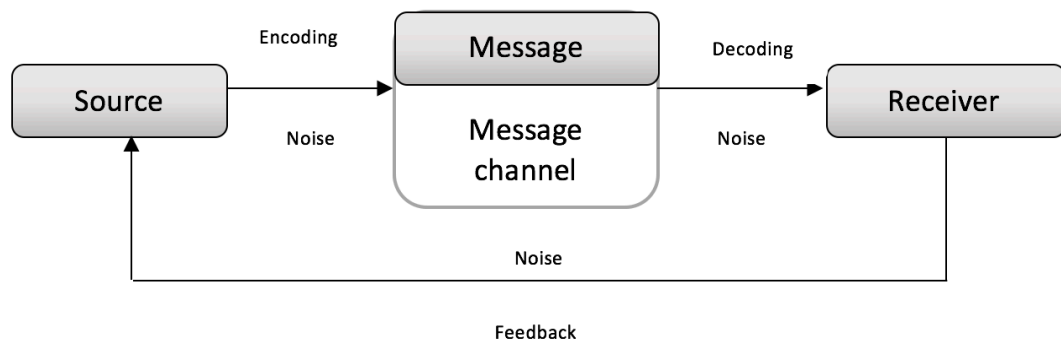


Figure 6: Communication process (Charles D. Schewe, 1987)

Promotion has three main purposes: informing, persuading and reminding. “Promotion means activities that communicate the merits of the product and persuade target customers to buy it” (Kotler and Armstrong 2012, 52). Firstly, the promotion will inform potential consumer about the products’ information such as the existence and nature. If the product is new, this information is highly need to be transferred to consumer.

However, sometimes, products have been selling in the market for a long but consumer does not notice it. Therefore, promotion is necessary for informing consumer about product. After being informed, consumers need to be persuaded that the product will bring benefits or satisfaction to them. At this phase, the message that company want to send to buyer and the message channel they choose are important. It is the major force for consumers to make purchasing decision. After all, consumers need to be remind about the products to make the promotion strategy more effective.

There are some promotion techniques which are regularly used such as: advertising, personal selling, sales promotion and public relations. The budget of promotion strategy is identified basing on percentage of sales, competitive parity, market share approach, available funds, and objectives approach.

3.3 SWOT ANALYSIS

SWOT analysis is a common analysis tool to determine the company’s market position, “it involves monitoring the external and internal marketing environment” (Ko-

tlar & Keller 2006, 52). SWOT analysis helps marketer identify company's strengths, weaknesses (internal factors) and opportunities, threats of market (external factors).

Strengths are competitive advantages of company which increase the value of company to consumers and make the company outstanding over other competitors in the market. Weaknesses are the areas that the company is not good at or do not have enough capacities to do such as marketing budget, human resources or unproductive factory... Opportunities are the chance for company to develop when there are changes in the market, for example increasing of consumers' demand or competitor becomes weak. Threats are the difficulties from the market for the company. They can be existing competitors, new competitors starting doing business in the market or consumers change their requirements of the products.

After doing each part of SWOT, the marketer will receive some overview key indicators, which is very important when they make marketing plan.

4 FAST FOOD RESTAURANT BUSINESS IN TURKU

4.1 General information

According to Johanna Varjonen's article "Syömisen ajat ja paikat", published in *Hyvinvointikatsaus* 3/2012, due to busy life, eating habit of Finnish people has changed from inconvenient and time consuming cooking to eating out to save time of planning meal and buying ingredients. In the author's survey, the results also show that 45.8% of respondents think eating out is convenient and time saving. 72% of respondents go out to eat due to socially benefit such as hanging out with friends. In addition, Statistics of Finland writes according to Johanna Varjonen (2012), although income level plays an important role in choosing restaurant, ethnic and other fast food restaurant is never affected by the income level of people in Finland. Therefore,

as long as the quality is maintained with good service and products, consumer will continue visit the restaurant.

According to Visithelsinki, due to the long working day, people avoid going home for lunch and select restaurant near their working place to have lunch or pick up food. Honestly, the decrease of leisure time and expansion of convenient food changes consumers' eating habit. However, people prefer healthy and nutritious food. This case is a big chance for restaurants, which is offering healthy and fast meal.

In Turku, there are several restaurants offering fast food such as Burger King, McDonald's and Hesburger, Subway. Besides, there are some local restaurants offering healthy and fresh food with fast service, which are good options for consumers.

4.2 Apply SWOT analysis for the market

At the moment, in Turku market, the X restaurant has 6 main competitors. They are divided into 4 groups:

The restaurants in the first group (Burger King, McDonald's and Hesburger) are mostly providing burger, which is not the same or similar to the X restaurant's products. However, they are doing the same business concept with the X restaurant. Burger King, McDonald's and Hesburger have many strengths because they are the three biggest players in Turku fast food market at this moment. Their first strength is their popularity and the strong brand image. They are well-known chains of restaurants by most of consumer. In addition, they have done business in the market for a while, therefore, they understand customers really well and have many experiences in the market. They have standard operation system and serve high quality products and services. They have several stores in town and at good locations, which is one of their major competitive advantages. Moreover, Burger King, McDonald's and Hesburger are big companies so they have many budgets for marketing and promotion.

The main weakness of those companies is the large number of franchised stores, which leads to the difficulties in controlling the quality and handling the operation.

One of the opportunities for them is to diversify their products to approach more segmentations. The major threat from the market they are suffering is the changing of customers' eating habits. In these recent years, healthy life styles or clean eating styles are becoming trendy and affect customers eating behavior a lot. According to a large number of customers' opinions, fast food and drink that Burger King, McDonald's and Hesburger are providing is consider as unhealthy products. Furthermore, the threat also comes from local competitors, which are new in the market. However, they catch the trend and provide healthy, vegan and organic products. These issues reduce the consumption of mature segment since 2014 (2018, Website of Marketing91).

The second group of competitors for X restaurant is fast food kiosk such as Grilli kiosk. This group has several similarities with the first group of competitors. The first similarity is products they are providing, which is burger, hotdog, French fries, sausage and soft drink. Their prices are reasonable and food is making fast. They also have several stores in the whole town, so it's easy to approach consumers. However, most of ingredients they are using is frozen or processed food. Therefore, their food is no longer fresh and healthy. In addition, they are using grilling or deep frying cooking method, so their food is quite greasy. This is a major threat for them nowadays because people are preferring healthy and clean food as a result of the trend of clean eating and healthy life style. One of the opportunities for them is the diversify of consumers. There are several of consumer segments so there are still rooms for them. In addition, the busy life is also another opportunity. Sometimes people are too busy to look for or go to a healthy restaurant so they just drop by a fast food kiosk on the way home and pick up their dinner.

The third competitor is Subway. Basically, the strengths and weaknesses of the restaurants in the first group and Subway are similar but their opportunities and threats are different. While burger fast food restaurants are affected by healthy lifestyles trend, Subway is still in safe situation. Since the beginning, Subway decided their position is healthy sandwiches with lots of vegetables inside and fresh fillings. Their slogan is "Eat fresh" and they often carry out campaigns to enhance the image of a restaurant offering fresh and clean products such as changing their logo, "fresh locally grown produce", and "free of artificial preservatives." (2018, Website of AdAge).

Therefore, clean eating style trend is a threat for other fast food restaurants but it is an opportunity for Subway to win more customers.

Saigon Sandwich Bakery is the last competitors. Saigon Sandwich Bakery is the restaurant offering the same product with the X restaurant. Their main products are Vietnamese sandwich and Vietnamese coffee. They have been doing business for about 1 year. Their strength is the quality and taste of the food, which is quite close to the authentic taste. That is a good point to approach customers who are interested in Asian food or who want to try something new. Their sandwiches also use fresh vegetables and fillings so they can also attract customers having healthy lifestyles. However, they have some weaknesses such as non-various menu, their location is far from city center and they are doing marketing, research and development not productively. Moreover, the threats from other local restaurants or Subway are big difficulty for them. Their opportunity is same as Subway's, changing of customers' eating habits. If they can catch the trend and improve their products, that is a chance for them to approach more consumers.

5 METHODOLOGY

There are two types of the research methods being used: qualitative method and quantitative method.

5.1 Qualitative research method

Qualitative research method is a scientific method collecting non-numerous data to research and analysis the market.

In other words, qualitative research is an exploratory, descriptive and explanatory approach based on means of exploring experience, perception, motivation, intent, behavior, attitudes. Qualitative data answers questions: what, what, and why? In addition, qualitative research still uses digital data but not for modeling but to support

analysis and reasoning. Qualitative research help marketer to have a better understanding of opinions, motivations and primary reasons. By using qualitative method, in-depth understanding of an existing problem will be collected. Qualitative data can be collected through interviews, group discussions with focus groups and observations. Conducting interviews to collect in-depth information is a versatile qualitative research method. During interviews, it is possible to ask cross-questions and do some observation of the interviewee as well. Interviews can be done in two ways, arranged interviews and intercept interviews.

For the qualitative method, the research will be done among a small number of respondents (about 50-75 people). The author will do individual interview, group discussion and observation to get the research results.

5.2 Quantitative research method

Quantitative research method mainly use statistical method to quantify, measure, reflect and interpretation of the relationship between variables together. The purpose of quantitative research is to measure the variables according to the objectives and consider the relationship between them by measurements and statistics. Quantitative data can be collected through measuring, structured questions by completing survey. The collected data usually expressed in numerical form.

The quantitative method will be done among a large number of respondent (about 200 people) by online or paper survey and random interview. The results will be collected and analyzed by research tools to quantify the opinion, behavior, attitude...

5.3 Data collection and analysis

Observation is a useful qualitative research method as it helps to collect data about the tar-get customers buying behavior and cultures affecting their buying process. Observational research provides researchers an opportunity to observe the target cus-

customer's feelings while going through the buying process and see how they communicate. Observational research further helps to check the conditions described in interviews. Kotler said that it helps to unlock the information that they were unwilling to provide thinking that it would be impolite.

In this thesis, the author uses the quantitative research method to collect the data. The research will be done by online survey and author's observation.

Questionnaire on the research topic with multiple-choice was designed to get diverse information (Appendix 1). The entire questions were designed in English and conducted through electronic source such as Facebook and Email. A link of Google forms was sent to certain people in Turku and neighborhood such as Raisio, Naantali, Uusikaupunki, Rauma, Pori... to complete. The concept of that survey was to collect general responses from both Finnish and the other foreigners currently living in the targeted location. The survey will be done and analyzed via Google Form, a program for creating survey form and analyzing survey results.

5.4 Validity and Reliability

After doing market research, the research result and data will be used to make business idea and strategy. Therefore, the validity and reliability of research results is important. For this study, the survey should be done by at least 100 people for a validity and reliable result. The survey questions will be checked and approved by the author's supervisor and before being sent, they will be tested with at least 5 students (22 to 25-yearold) to ensure that they are applicable and understandable.

6 RESULTS OF THE SURVEY

Through the survey conducted on Facebook and Email, the author received 107 responses as expected. In general, 57% of respondents are in the group age under 25, 27.1% are in the group age 26-35, 10.3% are in the group age 35-45, and 5.6% are in

the group age older than 46. Among 59.8% of female and 40.2% of male respondents, they are mostly students (80.4%) and employees (17.8%). The survey result clearly shows that Turku has a diverse customer base especially among the younger age group.

Figure 7 below shows the number of respondents who are either Finnish citizens or other nationalities. According to the survey data, the majority of respondents are Finnish (76%). The rest are foreigners (24%) living in Turku and neighborhood such as Russian, Nigerian, Nepalese, Austrian, British, Dutch, French... This result demonstrates that there are a big number of Finnish people being interested in Asian food.

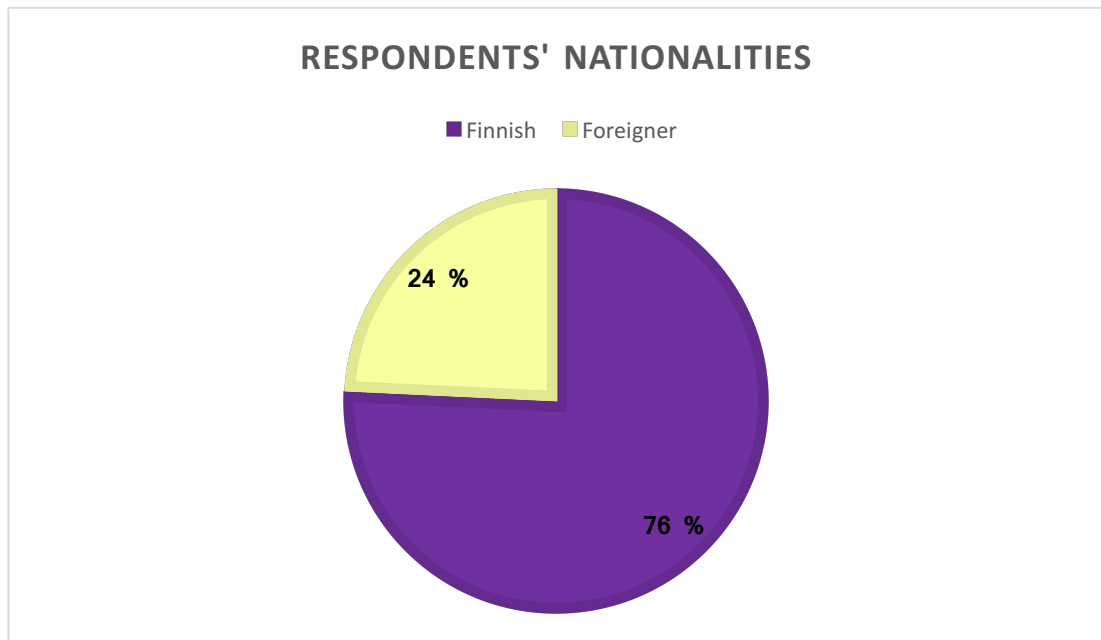


Figure 7. Respondents' nationalities

In the survey, respondents were asked how often they eat out for lunch and figure 8 below shows how frequently the people in Turku and neighborhood area go out for a meal in a restaurant. Among four different options, one to three days per week is highest with 72%. The percentages of the respondents who go out four to five days in a week is 11.2 %, the percentage of respondents who never visit restaurant for lunch is 15.9% and there is 0.9% of respondents go out every day for lunch.

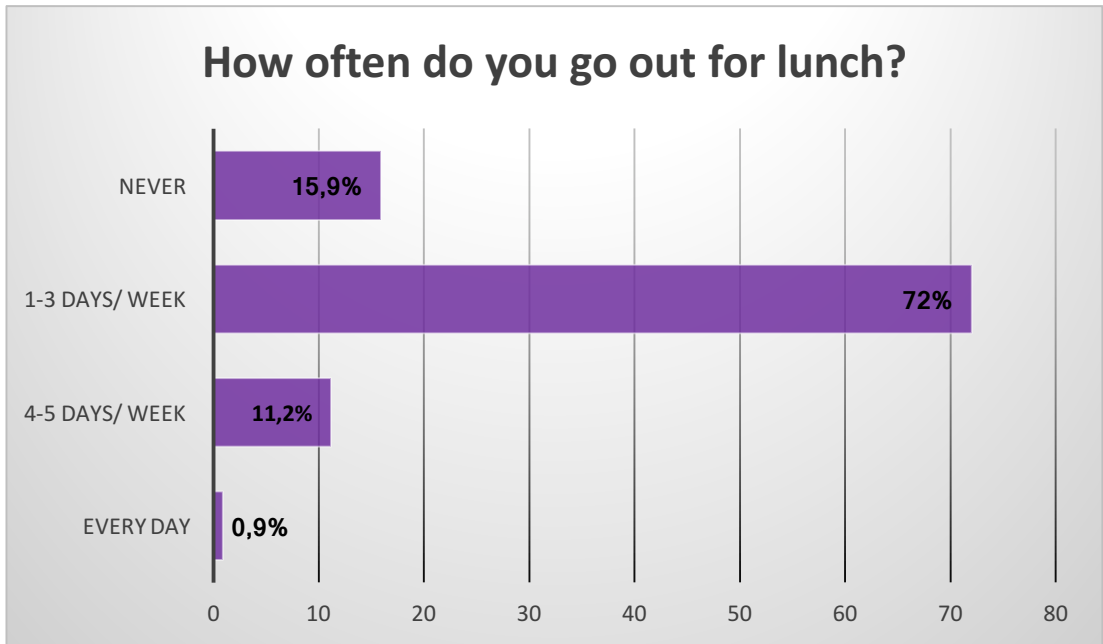


Figure 8. How often do you go out for lunch?

Respondents were also asked what kind of food they usually have for lunch. Most of respondents choose salad (55.1%), the second rank is sandwiches or burger with 41.1%. 31.8% of respondents choose rice and 21.5 % of respondents have noodles for lunch. (Figure 9)

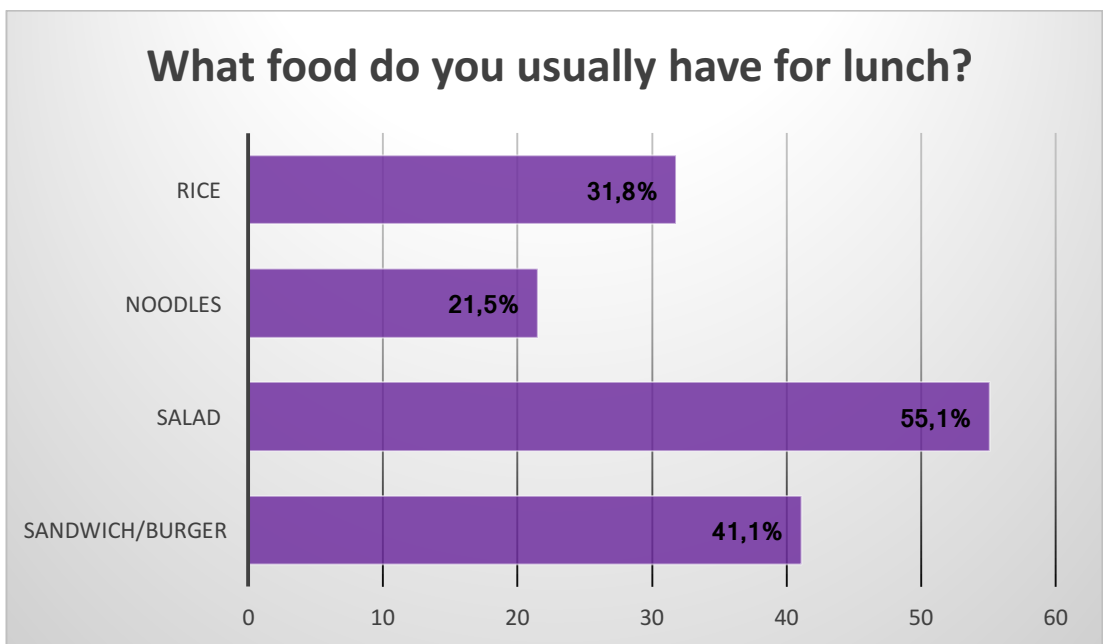


Figure 9. What food do you usually have for lunch?

A question was posed in a survey to the respondents about how much they spend on lunch on average. Among four different options, the percentage of respondents who spent 10 euro or less is the highest with 64.8%. Similarly, the respondents who spent 11 euro to 15 euro is 28.8% and the percentage of respondents who spend more than 20 euro is 4.7%. In comparison to the entire respondents the figure 10 shows the percentage of respondents who spend 16 euro to 20 euro is 1.7 %, which is little bit lower.

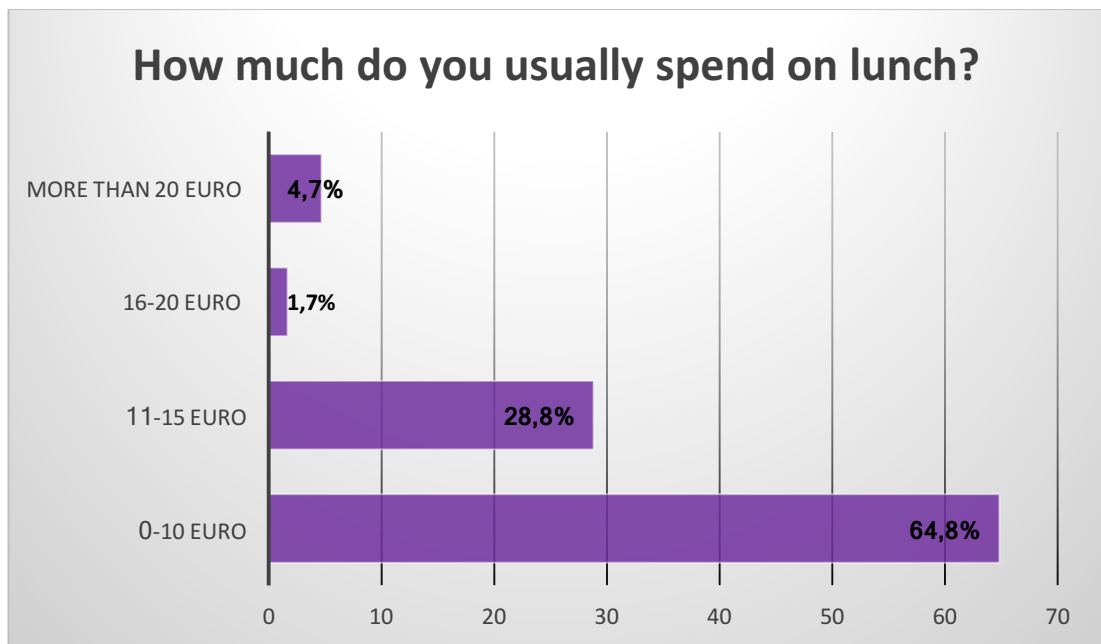


Figure 10. How much do you usually spend on lunch?

One of the most important question for making business idea is what the most significant factors are when respondents choose a restaurant. The results of this question can help the author to choose the most important factors to focus on and improve. In figure 11 below, there are nine categories for people to evaluate the importance (scales from 1: not important to 5: very important): quality of food and drinks, price, promotion, location, service, authentic, parking, interior design or atmosphere and extra entertainment. There are three categories that are evaluated “extremely important” and “important” by most respondents: quality of food and drinks (100 respondents), price (81 respondents) and service (81 respondents). In addition, location is also considered as “extremely important” and “important” by many respondents

(66 respondents). 43 respondents think that parking place is “important” and “extremely important”. Promotion, authentic, and interior design are evaluated “neutral” by many respondents with the number of respondents are 50, 42 and 27, respectively. 50 respondents think that extra entertainment is not important.

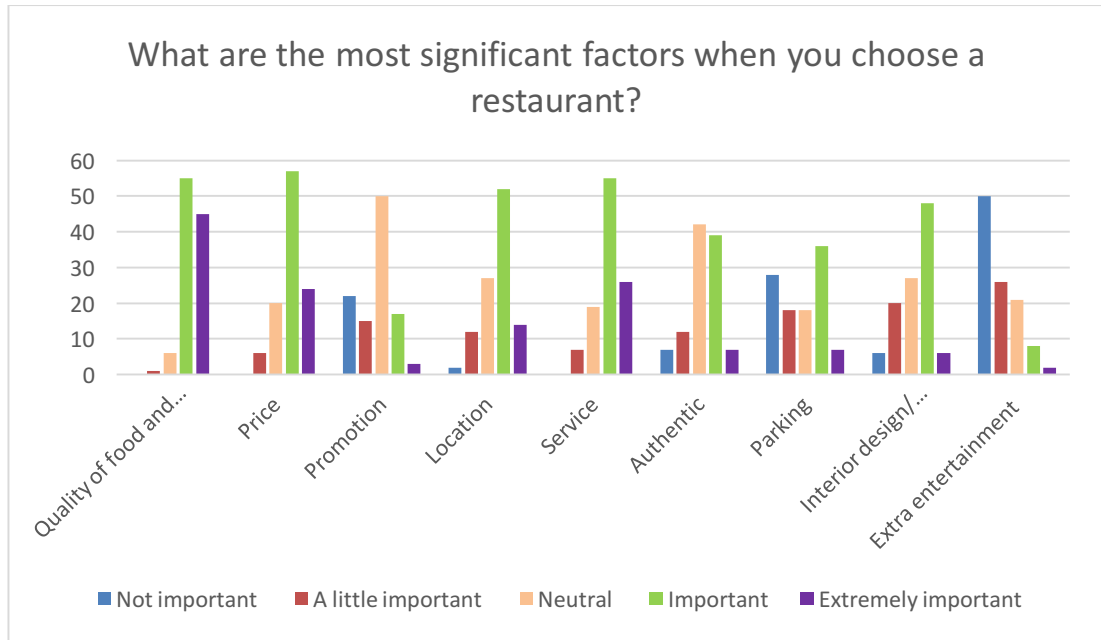


Figure 11. What are the most significant factors when you choose a restaurant?

Figure 12 show the percentage of the way respondents get information about the restaurant. “Recommendation from friends” and “Internet” are the option chosen by most of respondents with the number 79.4% and 74.8%, respectively. There is 7.5% of respondents know a restaurant via leaflet and 24.3% of respondent know it randomly or by other ways.

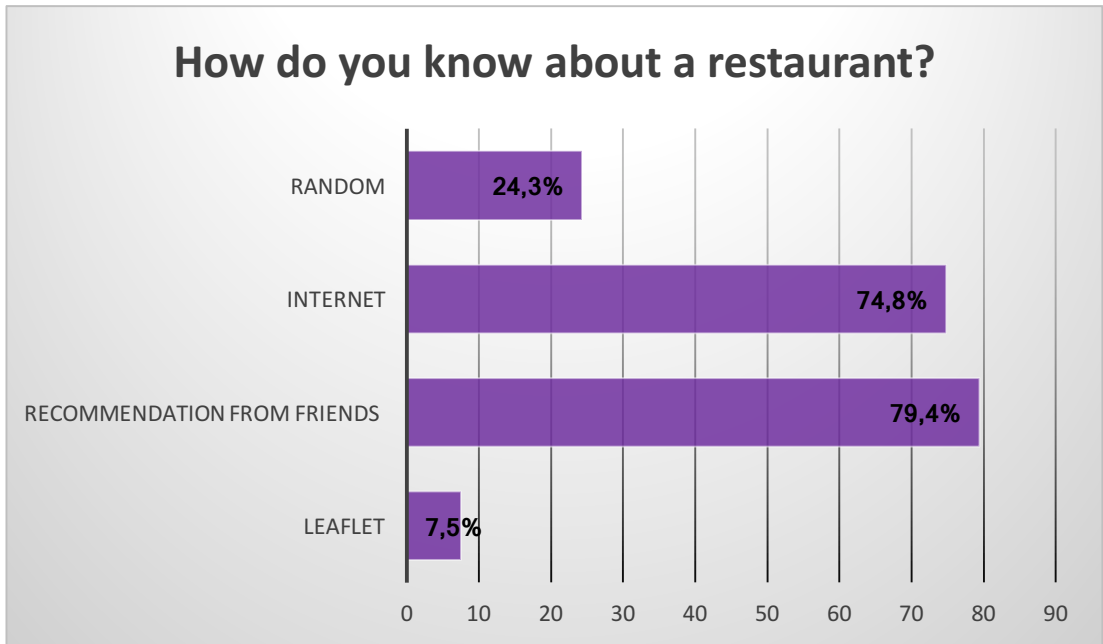


Figure 12. How do you know about a restaurant?

In figure 13, 89.7 % of respondents have tried Asian cuisine. 9.3% of respondents said that they have not tried Asian food and 1% of respondents is not sure if they have tried or have not tried. Among 96 respondents have tried Asian cuisine, 53% of them have tried Vietnamese cuisine.

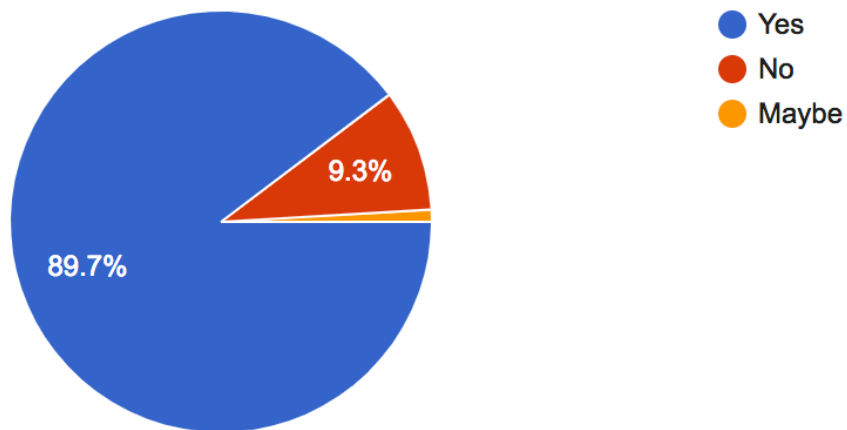


Figure 13. Have you ever tried Asian cuisine?

Among the respondents who have tried Vietnamese food, they were asked which food they had tried. According to results showing in figure 14, spring roll is the dish most people tried (75.9%), the second dish were tried most is Pho (Vietnamese noodles soup) (60.2%). 25.3% of respondents have tried summer roll, 22.9% of respondents have tried Vietnamese coffee, 16.9% of respondents have tried Boba tea and 13.3% of respondents have tried Banhmi (Vietnamese sandwiches).

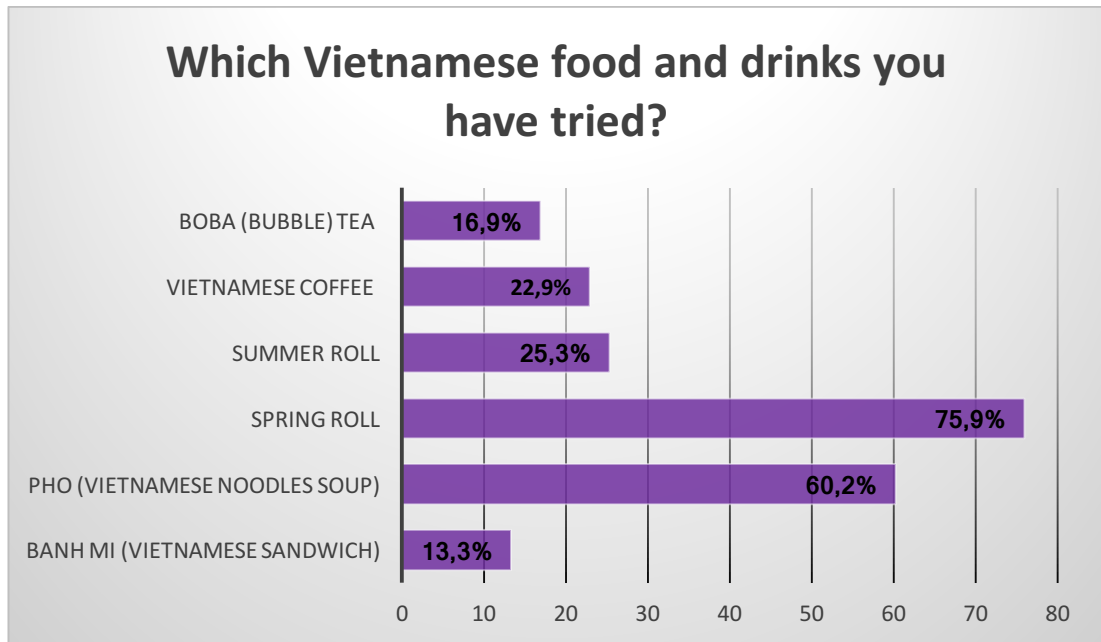


Figure 14. Which Vietnamese food and drinks you have tried?

The figure 15 below shows how respondents think about Vietnamese food. There are three opinions have the biggest number of respondents choosing: good (51.2%), delicious (47.7%) and spicy (38.4%).

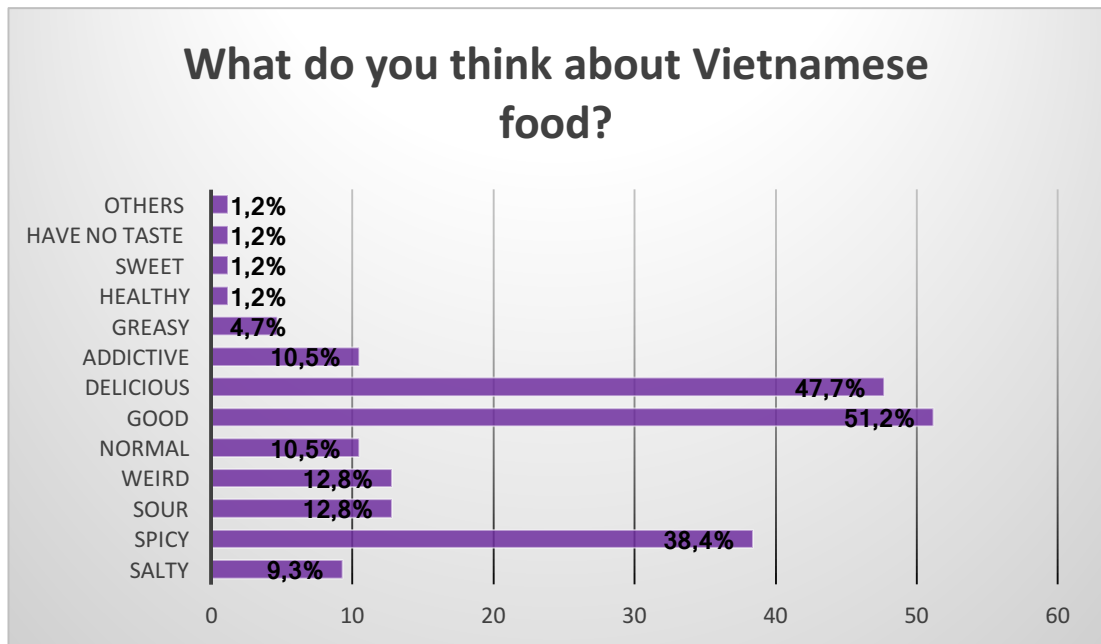


Figure 15. What do you think about Vietnamese food?

7 PRESENTATION OF THE BUSINESS IDEA AND DISCUSSION OF THE STUDY

7.1 Discussion of the study

According to the survey results, students and workers at the age 18 to 35-year old seems the most potential segment, which will be the target of X restaurant.

To decide the positioning strategy for X restaurant, the method of mentioning benefits, problem solutions, and basic needs is used. By using this method, the benefit of the products, what consumers get from buying the products is mentioned and enhanced. The X restaurant will be positioned as a restaurant providing fresh and qualified food with authentic Asian taste. The ingredients using is clean, fresh, healthy and environmental friendly.

In the figure 9, salad and sandwich or burger are the food that most chosen, which means customers prefer their lunch containing vegetables to feel fresh and light.

Moreover, easy to take away is also a reason why salad and sandwich are chosen mostly. In figure 14, summer roll is the third most chosen food by respondent, which mean there are several people have already known and tried it. So, it's not too difficult for summer roll to approach customer.

However, not many people know Banh mi (Vietnamese sandwich) (13.3%), but according to author's observation, the number of customer knowing and liking Banh mi will increase if they are made well. Besides two main dishes, Vietnamese coffee and bubble milk tea are also expected to be an attraction with customers. As the results of the survey, 78.3% of the respondents sometimes or often go to coffee shop and 65.2% of respondents sometimes or often eat dessert at coffee shop. Therefore, serving Vietnamese coffee and bubble tea is another way to increase revenue.

The core function of the products from X restaurant is fresh, nutritious, and tasty Asian food. Moreover, the products of X restaurant will be added facilitating supplementary to attract more customers such as using environmental friendly material for packaging and enhancing supplementary such as special seasonal ingredients to develop the flavor and taste of the food.

According to figure 11, there are 81 of 107 respondents said that price is an important and extremely important factor affecting the purchasing behavior. The price of the products in X restaurant is set basing on the pricing tripod method which is including cost pricing, competitor pricing and value to customer pricing. In addition, according to the survey's result, 93.6% of the respondents spend less than 15 euro for lunch. Therefore, price of food should be from 6 to 7 euro per dish, and drink should be about 3 to 4 euro per cup (Appendix 2).

Place or location is one of the most important factor affecting the business. according to the survey, 54,2% of respondents answered that distance between the restaurant and their place affects a lot when they make decision. In the figure 11, 66 of 107 respondents said that location is an important and extremely important element. Location at the city center is good to get attention from customers but rental fee is high. Therefore, the street close to or next to the city center is better. They are crowd enough and rental fee is not so high. There are some suitable places on Brahenkatu,

Linnankatu, Eerikinkatu and Maariankatu. The location area is estimated not too big to save the rental fee. It can serve about 15-20 people at the same time.

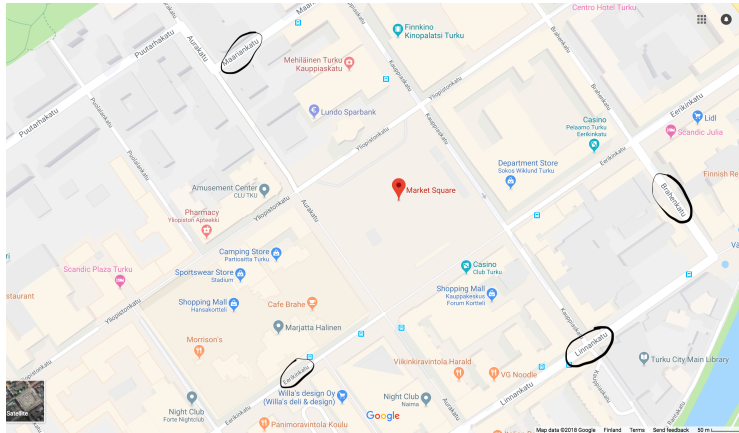


Figure 17. X restaurant's location

The marketing strategy is to establish and remain X restaurant position in customers' mind by offering fresh and healthy foods, nice services, reasonable prices, environmental friendly material and new experience.

According to the survey, most of the respondents normally get information of a restaurant via internet or recommendation from friends. Therefore, most of the promotion program or marketing campaign will be organize and claim online via social media such as Facebook, Google+, Twitter, LinkedIn, Youtube and Instagram. Online marketing is more saving than traditional marketing and the speed of spreading is higher. Besides marketing program to build and enhance position in customer's mind, X restaurant will organize some promotion to increase the purchasing and approach more customers. Some promotions are suitable for the X restaurant at the beginning time:

- Providing lunch set: X restaurant will offer lunch set at the lunch time (11:00-14:00) with lower price than buying separately. By taking lunch set, customer can save money and time of thinking and choosing dishes. Lunch set include one dish and a drink. Sandwich set including a sandwich and a drink costing 9 euro. Roll set consists of one roll and a drink by 7euro. Offering lunch set with lower price help restaurant attract more customer. In addition, customers are willing to try new types of food or drink.

- Bring your own container: customers who bring their own container to store food and drink will get discount for their bill. By operating this promotion, X restaurant can save the fee for plastic container and enhance the position of a company caring for environment. Moreover, X restaurant may get attention of consumers who care about environmental problems, which help the restaurant approach more consumers.
- Create seasonal or festival menu: for special occasion, the restaurant will offer special food or drink for that season such as pumpkin milk tea for Halloween, snow man cake for Christmas or rainbow colored smoothie for Turku Pride month. Seasonal and festival menu is attractive to consumer and increases purchasing volume. It also helps the restaurant get attention of people who is participate in or interested in the festivals.

Create your favorite taste: customer can customize their own food and drink. For example, with the same price and customer can put whatever they want into their sandwich, roll, coffee or milk tea. This promotion may occur every two months. It helps get the idea for new menu, the restaurant can see which ingredient if liked most. In addition, the main purpose of this promotion is to remind the customer. According to the promotion theory part, the purpose of promotion is informing, persuading and reminding. Indeed, reminding is necessary to keep the position of the restaurant stay steadily in customers' mind.

7.2 The business idea

X restaurant is a restaurant that serves fast and light lunch and drinks with Vietnamese style in Turku, Finland. The restaurant wants to bring customers a fast and fresh meal. In addition, customers can also experience authentic taste of Vietnamese food and new drinks. X restaurant will be offering a broad menu with dishes that can be eaten in or to-go food. As well the menu will be changed continuously to make customers feel new every time.

The target market will cover a group of students and workers living in Turku from 18 to 35- year old, who have long working day, do not have enough time to cook or go

home to eat, while preferring a fresh and nutritious meal. Two main dishes in X restaurant menu are Banhmi (Vietnamese sandwich) and summer roll. These dishes are healthy with many types of vegetable inside and fresh tasty fillings. Moreover, sandwich and summer is easy to take away and carry out, an easy treat for stomach on busy day.

Besides offering tasty food, X restaurant brings new way to drink coffee and tea for customers to try, Vietnamese Fin coffee and Bubble milk tea. They are popular drink in Vietnam and south east Asian countries. After working time, customers can visit X restaurant as a place to hang out with friends and enjoy tea, coffee and cake. Vietnamese coffee will be a new experience of customer not only because of the ingredients (Robusta coffee bean), but also the way brewing and roasting.



Figure 16. Vietnamese coffee filter.

Because the target customer is student and workers, the price should be set reasonable. The restaurant will be located at city center which is surrounded by many companies' office and easier to approach customers. Promotion is need to get attention of customers, especially the beginning time. At the beginning time, there will be at least one promotion program per month for customer to notice of the restaurant.

7.3 Validity and reliability of the study

In this study, the author used information from selected books from city library and school library. Therefore, there are a large amount of correct and detail theoretical content. Information from online website are sourced clearly and original.

Survey questions have applicable content to the study. They were read and approve the author's supervisor. In addition, before being sent to respondents, the survey questions were tested with 5 students from 22 to 25-year-old to ensure that they are understandable. Moreover, there are up to 107 responses. Analysis and statistic were based on results of the survey. Therefore, this study guarantees the validity and reliability of the content.

7.4 Follow up support topics

For a start- up company, there are many difficulties and problems. In this study, the author mentioned 3 supposal problems and solutions for them.

- Licenses and permits:

All countries and states require some type of business registration for tax and managing purposes. Therefore, licenses and permits are really important and compulsory when start doing business. Without required licenses and permits, the business owners will be fined a lot or even force to close the business. especially for restaurant, permits for opening and hygiene licenses are seriously important. Start- up company who is confused and not sure about any kinds of licenses and permits need to check with federal, state, and local government agencies to determine licensing requirements as soon as possible. Certain types of professions and businesses require special licensing. Such as in this case, X restaurant need permits for operating restaurant and kitchen and hygiene licenses. Business start-ups can contact their government business assistance agency for help to comply with permit and licensing requirements such as TE palvelut, VERO, Sparkup, Uusyrittyskeskus, Yrittäjät, ...

- Financial challenges:

Weak financial background is one of the biggest challenges and most common reason for business fail. small business coach, Melinda Emerson said ""If you do not save enough money to run your household and fund the first year of opera-

tions of your business you may not be able to hang in there until the business can generate any real revenue." (2018, Website of Small Business Chron). Therefore, entrepreneur should prepare financing carefully at the early steps by raising investment, funding, bank loan, family supports or self-savings.

Finding investor is a common way that start-ups do to overcome financial difficulties. However, it is not easy to find a right investor who is willing to back the business. It is necessary to research and determine the investor to succeed in making deal with them. For different types of investors, there should be different presentation or set of facts about the business. Jayna Cooke, founder and CEO of EVENTup, said start-ups should spend less time presenting to every investor, instead of it, spend more time to find potential or suitable investors for the business; that is a better way to approach funding.

- Fierce competition:
Potential market always consists of heavy competition, which is one of the biggest difficulty for new player. However, that is obviously and start-ups have to get along with it. A start-up is recommended to go with the flow but also have something special. The key to survive in a market with fierce competition is to be different. (2018, Website of The Startup). There is not any idea new. A new idea just came to your mind maybe has already been made some years ago. Therefore, do the research carefully, try to learn from competitors both succeed and failure to plan a different business.

REFERENCES

- Blythe, J. 2012. Essentials of Marketing. 5th Edition. Harlow: Pearson Education Limited.
- Gabay, J. 2003. Teach Yourself: Marketing. London: Hodder Education.
- Kotler, P. & Armstrong, G. 2012. Principles of marketing. 14th edition. New Jersey 07458: Pearson Education Inc.
- Kotler, P. & Keller, K. 2006. Marketing Management. 12th edition. New Jersey: Upper Saddle River
- Osterwalder, A., Pigneur, Y., Bernarda, G., Papadakos, T. & Smith, A. 2014. Value
- Pride, W., Hughes, R. & Kapoor, J. 2013. Business. 12th edition. South- Western, USA: Cengage learning.
- Proposition Design. Hoboken, NJ: John Wiley & Sons cop.
- Ramachandra, K., Chandrashekar, B., Shivakumar, S. 2009. Marketing Management. Mum-bai: Himalaya Publishing House.
- Schewe, Charles D. 1987. Marketing Principles and Strategies. 1st Edition. New York: Random House Inc.
- Wirtz, J., Chew, P. & Lovelock, C. 2018. Essentials of Services Marketing. 3rd Edition. England: Pearson Education Limited.
- Website of AdAge. Referred 30.11.2018. <https://adage.com/article/cmo-strategy/subway-logo-clean-foods-positioning/305343/>
- Website of Business News Daily. Referred 30.11.2018. <https://www.businessnewsdaily.com/10963-startup-financing-challenges.html>
- Website of Canvanizer. Referred 11.11.2018. <https://canvanizer.com/new/swot-canvas>
- Website of Essential skills for an excellent career. Referred 11.11.2018. https://www.mindtools.com/pages/article/newTMC_05.htm
- Website of Influencive. Referred 30.11.2018. <https://www.influencive.com/surviving-fierce-competition-amongst-startups-through-digital-marketing/>
- Website of Marketing 91. Referred 10.11.2018. <https://www.marketing91.com/types-of-channel-structures/>
- Website of Marketing 91. Referred 30.11.2018. <https://www.marketing91.com/swot-analysis-of-burger-king/>

Website of MyHelsinki. Referred 30.11.2018. https://www.myhelsinki.fi/en/eat-and-drink/restaurants#/?listing_id=52307&mode=list

Website of Nha Trang University. Referred 10.11.2018
[http://www.ntu.edu.vn/Portals/57/B%E1%BB%99%20m%C3%B4n%20ch%E1%BA%BF%20t%E1%BA%A1o%20m%C3%A1y/B%C3%A0i%20Gi%E1%BA%A3ng/Nghien%20cuu%20dinh%20tin%20va%20dinh%20luong%20\(Phuong\).pdf](http://www.ntu.edu.vn/Portals/57/B%E1%BB%99%20m%C3%B4n%20ch%E1%BA%BF%20t%E1%BA%A1o%20m%C3%A1y/B%C3%A0i%20Gi%E1%BA%A3ng/Nghien%20cuu%20dinh%20tin%20va%20dinh%20luong%20(Phuong).pdf)

Website of Research Club for Students – RCS FTU. Referred 10.11.2018.
<http://nckhrcs.vn/khai-quat-phuong-phap-nghien-cuu-dinh-tinh/>

Website of Slide Player. Referred 10.11.2018.
<https://slideplayer.com/slide/10111137/>

Website of Slide Share. Referred 10.11.2018.
<https://www.slideshare.net/sarveshsoni/service-marketing-11380592>

Website of Small Business Chron. Referred 30.11.2018.
<https://smallbusiness.chron.com/startup-business-problems-2391.html>

Website of Small Business Chron. Referred 30.11.2018.
<https://smallbusiness.chron.com/problems-setting-up-business-2487.html>

Website of Snapsurveys. Referred 03.04.2018.
<https://www.snapsurveys.com/qualitative-quantitative-research/>

Website of Statistic Finland. Referred 30.11.2018.
www.stat.fi/artikkelit/2012/art_2012-09-24_008.htm

Website of The Economic Times. Referred 10.11.2018.
<https://economictimes.indiatimes.com/definition/marketing-mix>

Website of The Startup. Referred 30.11.2018. <https://medium.com/swlh/all-startups-have-competition-startup-survival-guide-62097d9bc478>

APPENDIX 1

Survey Questions:

1. Gender *

Male

Female

2. Age *

15-25

26-35

36-45

46- Older

3. Nationality *

Finnish

Vietnamese

Chinese

Swedish

Other: _____

4. Occupation *

Office worker

Worker

Student

Retired

Other: _____

5. Style of Diet *

Normal

Vegan/ Vegetarian

Halal

Other: _____

6. What do you think about eating out? (you can choose more than 1 answer) *

- Convenient and time saving
- Waste of money
- Socially beneficial
- Other: _____

7. How often do you go out for lunch? *

- Every day
- 4-5 days/ week
- 1-3 days/ week
- Never

8. What food do you usually have for lunch? (you can choose more than 1 answer) *

- Sandwich/ Burger
- Salad
- Noodles
- Rice
- Other: _____

9. How much do you usually spend on lunch? *

- Less than 10 euro
- 11- 15 euro
- 16-20 euro
- More than 20 euro

10. How do you usually take the food? (you can choose more than 1 answer) *

- Take- away via Foodora
- Take- away via Wolt
- Eat in
- Take- away by yourself
- Other: _____

11. How often do you choose take away? *

- Always
- Often
- Sometimes
- Never

12. What are the most significant factors when you choose a restaurant? *

	Not important	A little important	Neutral	Important	Extremely important
Quality of food and drinks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promotion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Location	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Authentic	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Parking	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interior design/ Atmosphere	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Extra entertainment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

13. What factors do you consider important when making your decision? *

- Free delivery
- Promotion
- Various menu
- Distance from your location to the restaurant
- Other: _____

14. How do you know about a restaurant? (you can choose more than 1 answer) *

- Leaflet
- Recommendation from friends
- Internet
- Random
- Other: _____

15. How often do you go to a coffee shop? *

- Always
- Often
- Sometimes
- Never

16. How often do you eat dessert at the coffee shop? *

- Always
- Often
- Sometimes
- Never

17. Have you ever tried Asian cuisine? *

- Yes
- No
- Maybe

18. Which cuisine you have tried? (you can choose more than 1 answer)

- Chinese
- Thai
- Vietnamese
- Japanese
- Korean
- Other: _____

19. Which Vietnamese food and drinks you have tried? (you can choose more than 1 answer)

- Vietnamese sandwich (Banh Mi)
- Vietnamese noodles soup (Pho)
- Spring roll
- Summer roll
- Vietnamese coffee
- Boba (bubble) tea
- Other: _____

20. What do you think about Vietnamese food? (you can choose more than 1 answer)

- Salty
- Spicy
- Sour
- Weird
- Normal
- Good
- Delicious
- Addictive
- Greasy
- Other: _____

APPENDIX 2:

Sample menu

X Restaurant

SANDWICH & COFFEE

Opening Hour
Mon: 10:00- 18:00
Tue- Fri: 10:00-20:00
Sat: 12:00- 20:00
Sun: 12:00- 19:00

FOOD

ORIGINAL VIETNAMESE SANDWICH	6.50
PREMIUM VIETNAMESE SANDWICH	7.00
VEGAN SANDWICH	6.00
ORIGINAL SUMMER ROLL	5.00
VEGAN SUMMER ROLL	4.50
CAKE OF THE DAY	4.00

DRINKS

VIETNAMESE COFFEE	3.99
BUBBLE MILK TEA	3.99
FRUITS AND HERBS TEA	3.99
SMOOTHIE	3.99
+ WHIPPING CREAM	1.00
+ TOPPING	1.00



SANDWICH - ROLLS - COFFEE - TEA

TURKU | FINLAND
321 EERIKINKATU, 20540